

29 June 2005

DEPARTMENT
OF
STATE

Iraq Weekly Status Report

UNCLASSIFIED



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Highlights

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1.0 Transition to Security Self-Reliance

- ï Iraqi Minister of Interior Jabr announced an upcoming widespread security operation to follow Operation Lighting.

2.0 Support a Free and Democratic Iraq

- ï The names of 28 Sunnis have been submitted to the Transitional National Assembly's Constitution Committee, to include 15 members and 13 special advisors. The 28 names must be approved by the Committee in order to participate in the constitution-drafting process.

3.0 Provide Essential Services

- ï Almost 33,000 secondary teachers and administrative staff, including more than 17,000 females, were trained in programs funded by USAID. Over the next year, up to 100,000 additional teachers and administrators will receive in-service training in moderate student-centered teaching methods and educational best practices.



Highlights

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4.0 Establish Foundation for a Strong Economy

- ï Trade volume in the Iraq Stock Exchange (ISX) spiked on June 27 to \$8 million, more than twice the average volume recorded in the twelve months since the exchange was reopened for trade.

5.0 Promote the Rule of Law

- ï On June 27, Iraqi Minister of Interior Jabr announced more than 1,000 terrorists and criminals were arrested during Operation Lightning. They will stand before the Iraqi court next week.

6.0 Maintain International Engagement and Support

- ï On June 22, officials at the International Conference of more than 80 nations and organizations pledged to reinvigorate their efforts to provide financial aid and debt relief for Iraq, and urged Iraqi leaders to make more efforts to reach out politically to disaffected minorities supporting the insurgency.

7.0 Promote Strategic Communications

- ï Prime Minister Ibrahim Al-Jafari published an op-ed in the London Times urging a Marshall Plan for Iraq. He reinforced President Bush's and British Prime Minister Blair's commitment to Iraq, saying that democracy and freedom are in Iraq's future.



[1.0] Transition to Security Self-Reliance ñ Iraqi Security Forces

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Iraqi Security Forces Update:

- ï On June 23, 96 police commandos graduated from the first class offered at the Special Police Forces Academy in Baghdad. The course provides additional comprehensive training to Ministry of Interior forces.
- ï The Iraqi Police Service graduated 86 police officers from advanced and specialty courses at the Adnan Training Facility on June 23. The courses consist of Basic Criminal Investigations with 38 graduates, Critical Incident Management with 31 graduates, and Executive Leadership with 17 graduates.
- ï Iraqi Minister of Interior Jabr announced an upcoming widespread security operation to follow Operation Lightning.
- ï On June 24, the Iraqi Army conducted multiple raids in Mosul. The Iraqi Intervention Force detained ten suspected AIF members and captured a variety of bomb-making materials.

**[1.0] Transition to Security Self-Reliance ñ Iraqi Security Forces**D
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E**Ministry of Interior Forces**

COMPONENT	TRAINED & EQUIPPED
POLICE	63,296
HIGHWAY PATROL	
OTHER MOI FORCES	30,787
TOTAL	94,083*

Ministry of Defense Forces

COMPONENT	OPERATIONAL
ARMY	70,040
AIR FORCE	190
NAVY	533
TOTAL	75,729**

Total Trained & Equipped ISF:
169,812

* Ministry of Interior Forces: Unauthorized absences personnel are included in these numbers

** Ministry of Defense Forces: Unauthorized absences personnel are not included in these numbers



[2.0] Support a Free and Democratic Iraq ñ **Developments**

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Constitution Update:

- ï The names of 28 Sunnis have been submitted to the Transitional National Assembly's (TNA) Constitution Committee, to include 15 members and 13 special advisors. The 28 names must be approved by the Committee in order to participate in the constitution-drafting process.
- ï USAID recently met with the Chairman of the TNA Constitutional Committee to review assistance programs. Other topics of discussion included new venues for the Committee, security issues, and USAID's revised work plan and seminar schedule. A tour of the Committee's potential site of operation was also organized to examine its condition and identify equipment needs.

Local Governance:

- ï The Mosul Provincial Council convened its twelfth regular meeting on June 6. Thirty-two Council members, local governance program staff, the Deputy Governor, Mosul security, police representatives, and the General Directors of Education and Health attended the session which addressed the issue of the Provincial Council's responsiveness to citizens' demands. The Council's Committee on Human Rights also presented a report on detainees' rights violations and mistreatment. Councilors discussed with the General Director of Education the issue of continued Kurdish, Turkmen, Assyrian languages in the school curriculum.



[2.0] Support a Free and Democratic Iraq ñ **Developments**

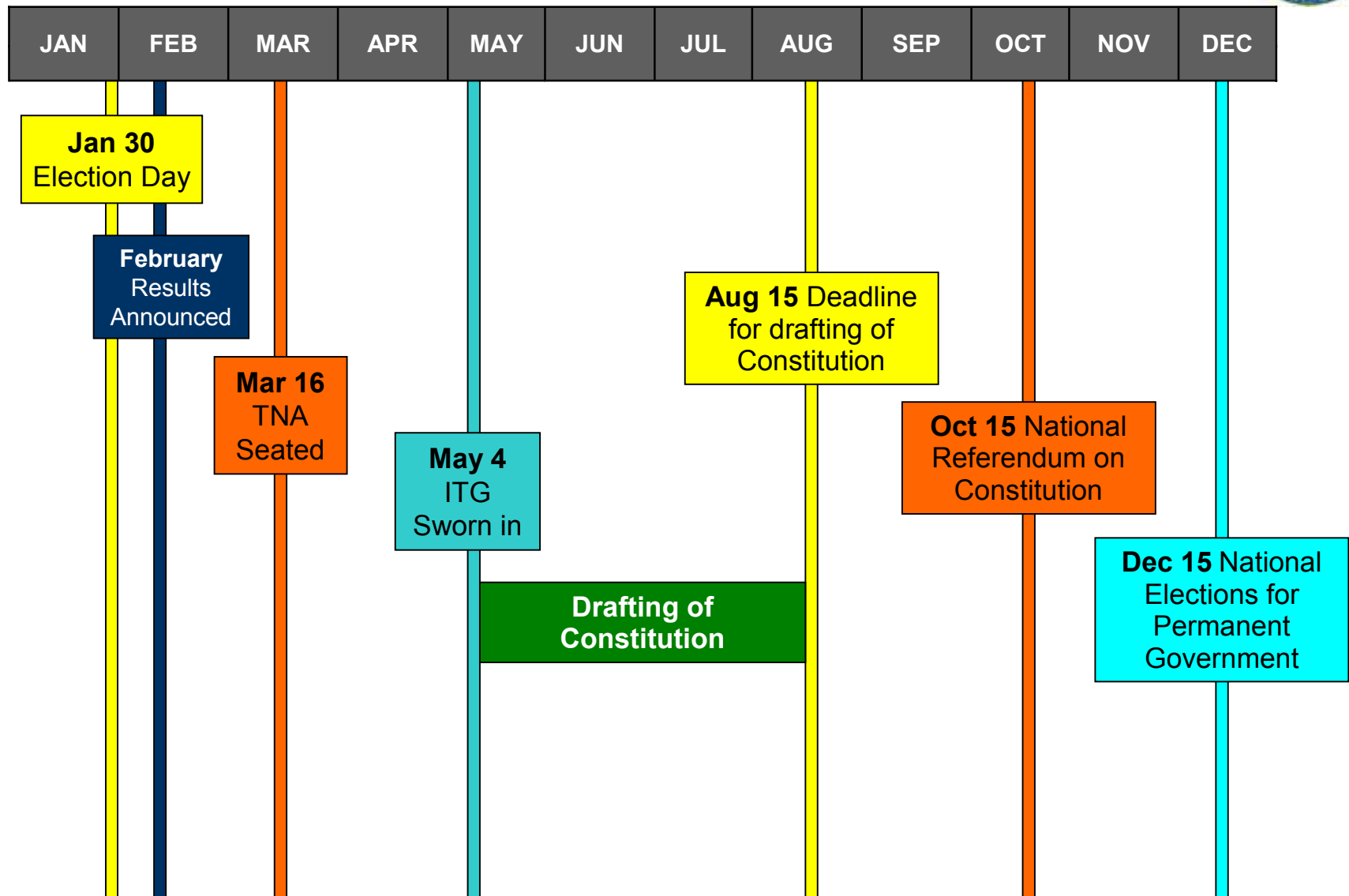
Capacity Building:

- ï USAID recently held a series of meetings with senior members of the Iraqi Transitional Government. Representative meetings included:
 - ñ On May 31, with the Senior Advisor to the Prime Minister, to discuss the current structure and functions of the Office of the Prime Minister.
 - ñ On May 31, with the Minister of Finance to discuss USAID assistance to the Ministry, including advisory and training assistance on policy coordination and staff skills training.
 - ñ On June 1, with Dr. Khudair Abbas, the Secretary General of the Council of Ministers. After reviewing USAID's programs and proposed plan of activities, Dr. Abbas specified his interest in training modules addressing the staff development and policy coordination needs of ministers.

Continuing TNA Responsibilities:

- ñ Serve as Iraq's national legislature until the election of a new government under a permanent constitution.
- ñ According to the Transitional Administrative Law, the TNA is to draft Iraq's new Constitution by August 15, 2005; this will be presented to the Iraqi people for their approval in a national referendum by October 15, 2005.
- ñ If it is approved, an election for a permanent Iraqi government under that new Constitution will occur by the end of 2005.

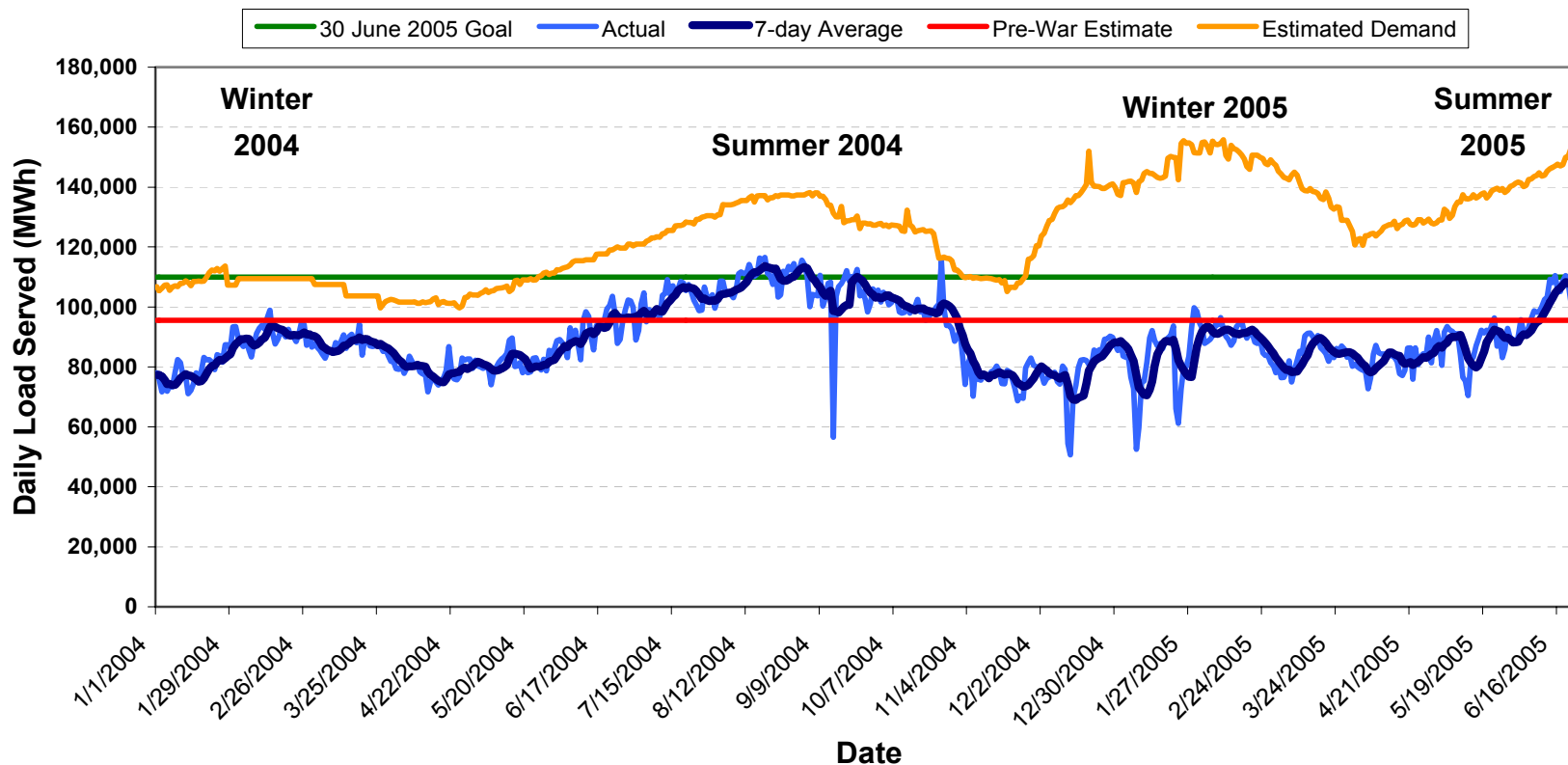
[2.0] Support a Free and Democratic Iraq ñ Electoral Process Timeline

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[3.0] Provide Essential Services ñ Electricity Overview

Daily Electricity Supplied and Estimated Demand in Iraq Since January 2004



- ï Electricity load served generally held steady in the week from June 18 ñ 24 at 107,000 MWh.
- ï Average hours of available power dropped slightly to 10.6 in Baghdad and 10.9 nationwide.
- ï Estimated demand is nearing an all-time record high.
- ï Increased attacks on oil pipelines are expected to negatively impact potential electricity generation.



[3.0] Provide Essential Services ñ Oil and Telecommunications

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Oil Update:

- ï Crude oil prices in world markets for the week ending June 24 closed with the following prices:
 - ñ Basra Light at \$50.36/barrel ñ Kirkuk Crude at \$49.22/barrel
 - ñ Oman/Dubai at \$51.45/barrel ñ WTI Cushing at \$56.25/barrel
 - ñ Dated Brent at \$56.95/barrel

Telecommunications:

- ï The three major cell phone companies in Iraq (Asiacell, Iraqna, and Atheer) continue to enroll new subscribers at healthy rates. As of June 15, there were 2,683,024 active cellular subscribers in Iraq. Landline telephone subscribers in Iraq have also increased to 997,675. Prior to Operation Iraqi Freedom, there were approximately 833,000 landline subscribers.
- ï Iraq plans to hold international tenders by the end of this year to replace the country's three cell phone licenses that expire in December 2005.
 - ñ The government will hold a July conference in London with Arab and global telecom companies to discuss the terms and duration of the new licenses, which will replace the three licenses issued by the CPA in 2003.
 - ñ Egypt's Orascom Telecom holds the license for central Iraq. Kuwait's MTC covers the south and north.
- ï USG will complete wireless broadband network for intra-government communications this summer.



[3.0] Provide Essential Services ñ Water and Sanitation

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Water and Sanitation:

- ï PCO has 78 water treatment projects underway and has completed 34 to date. Under the Accelerated Iraq Reconstruction Program (AIRP), there are a further 12 water treatment projects under construction and 38 have been completed.
 - ñ The majority of these projects are awarded directly to local contractors and local water authorities.
 - ñ Total water treatment capacity to be added from PCO projects is approximately 1.0 million cubic meters per day.
- ï Rehabilitation to the Karbala Water Treatment Plant is 54 percent finished, with an anticipated completion date of September 2005.
 - ñ Upon completion, the plant will process a total of 25 million gallons of potable water per day, providing water to Karbalaís residents as well as three million seasonal pilgrims.
- ï USAID is supporting development of two-phase national water and land resource strategy. The first 14-month phase will update the Russian Master Plan. The second phase is still unfunded but focus will be investment priorities and policy reform. Minister of Water Resources will lead the project with involvement of Ministries of Agriculture, Environment, Electricity and Municipality & Public Works.



[3.0] Provide Essential Services ñ Health Care

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Health Care:

- ï Construction is underway on 130 new primary health care (PHC) facilities across Iraq. Under the AIRP, an additional two PHCs are under construction and eight have been completed.
- ï USAID is working with Women's Mobile Teams to increase rural women's access to information to improve their health and security. The curriculum includes information about domestic violence, its causes and how to combat it, crisis intervention, landmine awareness, Islam and democracy, and family-care education.
- ï USAID joined the World Health Organization and UNICEF in supporting Iraq's Ministry of Health to carrying out a national measles, mumps and rubella (MMR) campaign to immunize about four million children between 13-59 months in all governorates. Preliminary coverage figures indicate that vaccination teams reached 90-100 percent of the children.



[3.0] Provide Essential Services ñ Education

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Education:

- ï A total of 3,056 schools have been rehabilitated to date, and a further 784 are undergoing rehabilitation.
- ï Six women completed a course in agricultural experimental design and statistics, and seven female faculty members from an Iraqi university in the north attended a USAID-sponsored Nursing and Library Training session in Jordan.
- ï Almost 33,000 secondary teachers and administrative staff, including more than 17,000 females, were trained in programs funded by USAID. Over the next year, up to 100,000 additional teachers and administrators will receive in-service training in moderate student-centered teaching methods and educational best practices.
- ï Nearly half a million Iraqi children will benefit from upgraded sanitation facilities at schools across the country this year as a result of UN initiatives.
 - ñ UN-backed efforts to improve conditions at 800 schools will foster safer conditions for some 460,000 boys and girls this year. The UN has been helping Iraq's Ministry of Education by providing over 1,300 directors with computer literacy and communications skills. Hundreds of computers were provided to schools which also received 36,000 sports and recreational materials.
 - ñ Over 130 schools have been rehabilitated with UN assistance in the lower southern region; in the north, the UN is working to renovate primary schools in rural communities where refugees are expected to return.



[4.0] Establish Foundation for a Strong Economy ñ Agriculture and Job Creation

Agricultural Services:

- USAID provided a grant to an agricultural services center in southern Iraq for six 10-day training sessions on modern agricultural methods to 240 women. Grants and technical assistance to agricultural NGOs help improve agricultural methods and provide employment. Over 465 women now have jobs and 440 women have increased their family income.

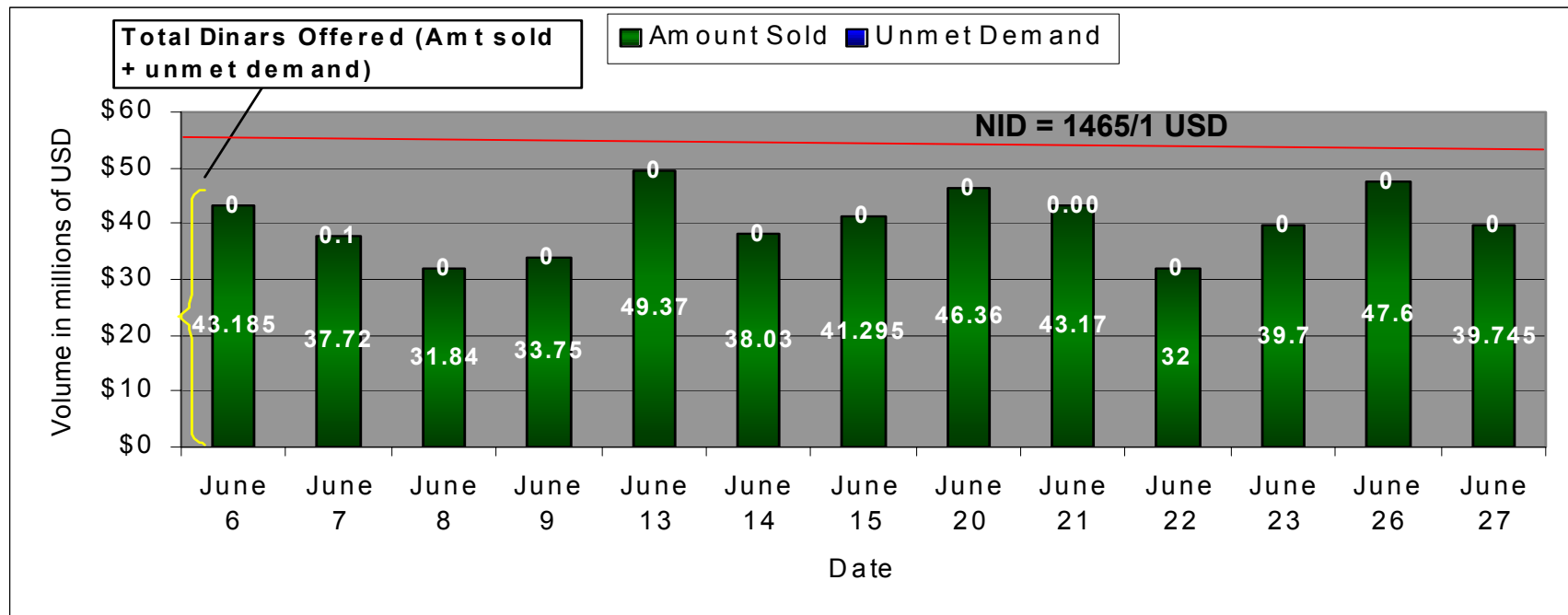
Employing Organization	Iraqis Last Week	Iraqis This Week	% Change on Week
PCO (Project and Contracting Office)	29,248	29,170	-0.3%
USAID	56,234	89,027	58.3%
AIRP (Accelerated Iraqi Reconstruction Program)	3,791	2,275	-40.0%
MILCON (Military Construction)	677	395	-41.7%
*CERP (Commanders' Emergency Response Program)	23,706	23,706	0.0%
MNSTC-I	24,443	24,443	0.0%
IRRF NON-CONSTRUCTION	11,157	11,157	0.0%
GRAND TOTAL	149,256	180,173	20.7%



[4.0] Establish Foundation for a Strong Economy - Banking Sector

Iraq Currency Exchange:

- At the New Iraqi Dinar (NID) auction June 27, the settlement price was 1,471 dinars per USD. Seventeen banks offered and sold a total of NID 1.98 billion (\$48,765 million). The following table shows the purchase volume for NID every auction from June 6.



- Supply and demand have matched since June 8.



[4.0] Establish Foundation for a Strong Economy

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Iraqi Stock Exchange:

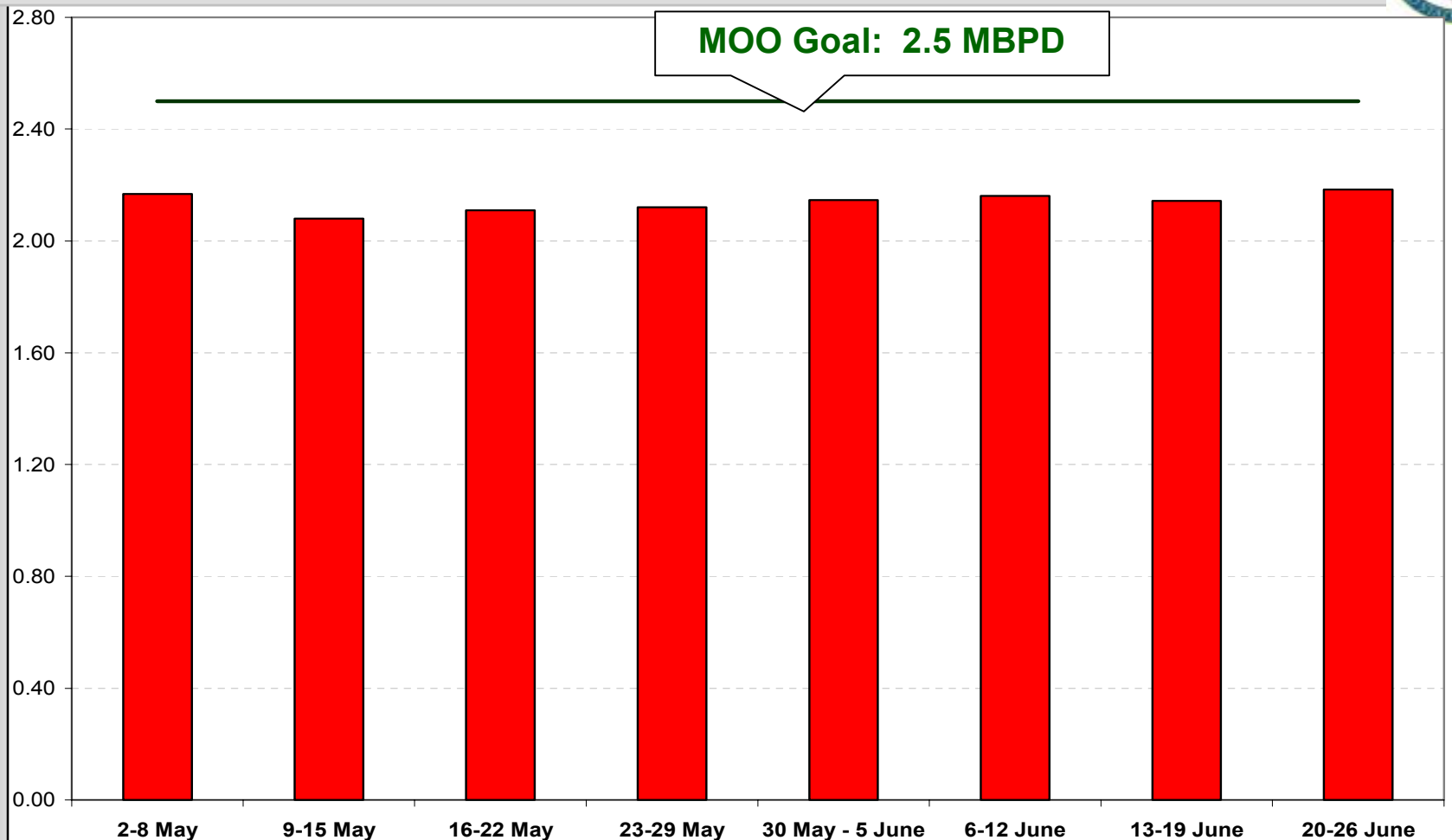
- ï On June 27, the Iraqi Stock Exchange (ISX) traded 1,897,038,013 shares with a total trading volume of NID 11,647,994,555 (\$7,950,850).
 - ñ June 27 trading volume equals more than double the average of past year due to \$5 million transaction of state-owned Pepsi Baghdad shares sold to an undisclosed Iraqi. Trading volume average for period June 1-27 was \$3.7 million.
 - ñ The industrial sector comprised the largest volume of trading. Fourteen companies in this sector traded 1,505,123,788 shares with a trading volume of NID 8,759,105,130 (\$5,978,911).
 - ñ The banking sector comprised the second largest volume of trading. Eight banks traded 281,791,140 shares with a trading volume of 1,978,432,372 (\$1,350,466).

Micro, Small and Medium-Size Enterprises:

- ï Twenty-six middle and senior-level managers recently participated in a one-week training course in Amman. The course provided training in financial analysis, the preparation of financial reports, and improved the participants' ability to make recommendations to their organizations on how to improve their financial performance.
 - ñ The course is part of larger effort to enable these organizations, which are part of Iraq's non-bank microfinance industry, to become sustainable non-bank credit, or microfinance, institutions that lend money to small businesses and farmers.



[4.0] Establish Foundations for a Strong Economy ñ Crude Oil Production

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ï Weekly Average (June 20-26) of 2.18 MBPD

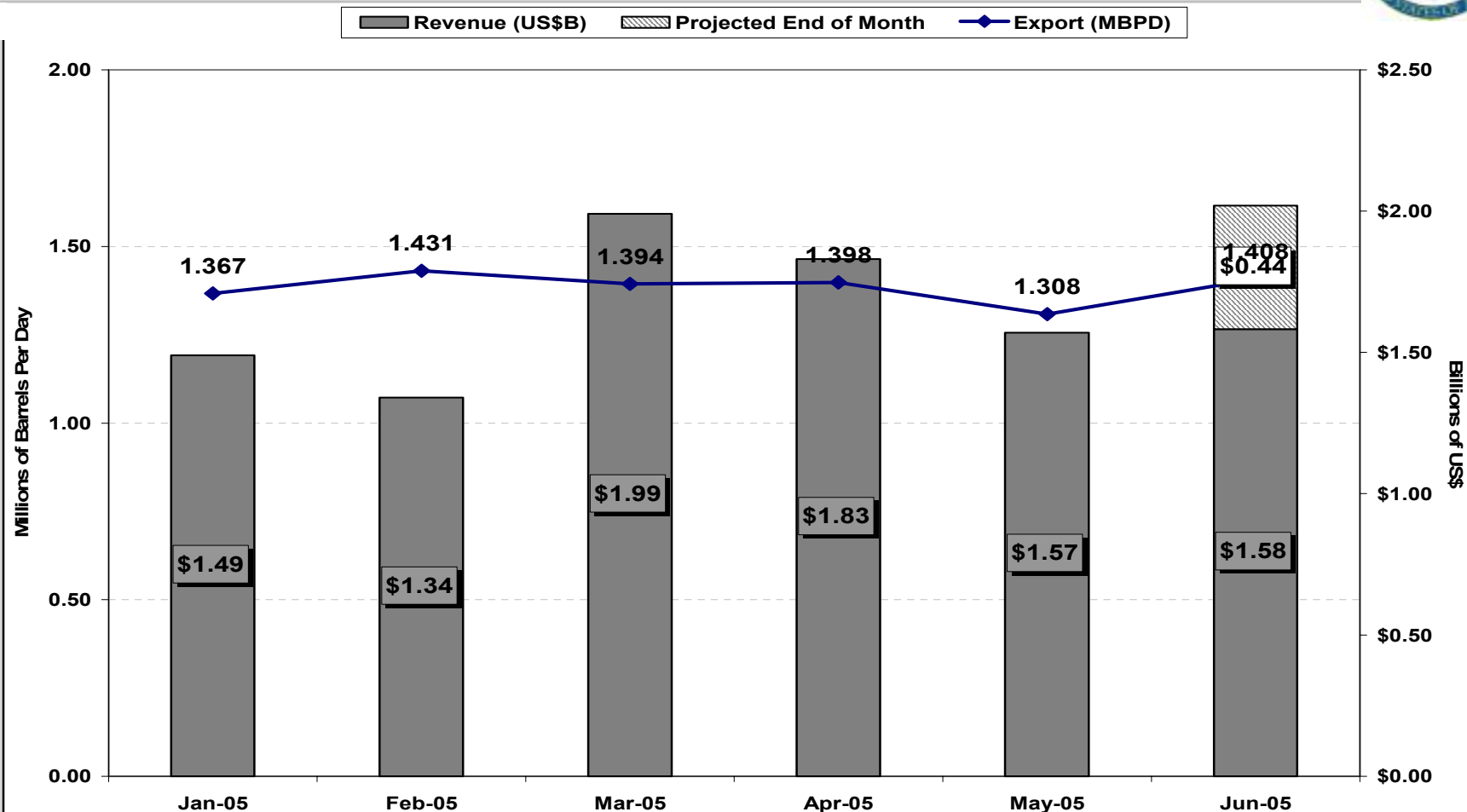
ï Pre-War Peak: 2.5 MBPD in Mar 2003

ï Post-War Peak: 2.67 MBPD

■ Production — Target



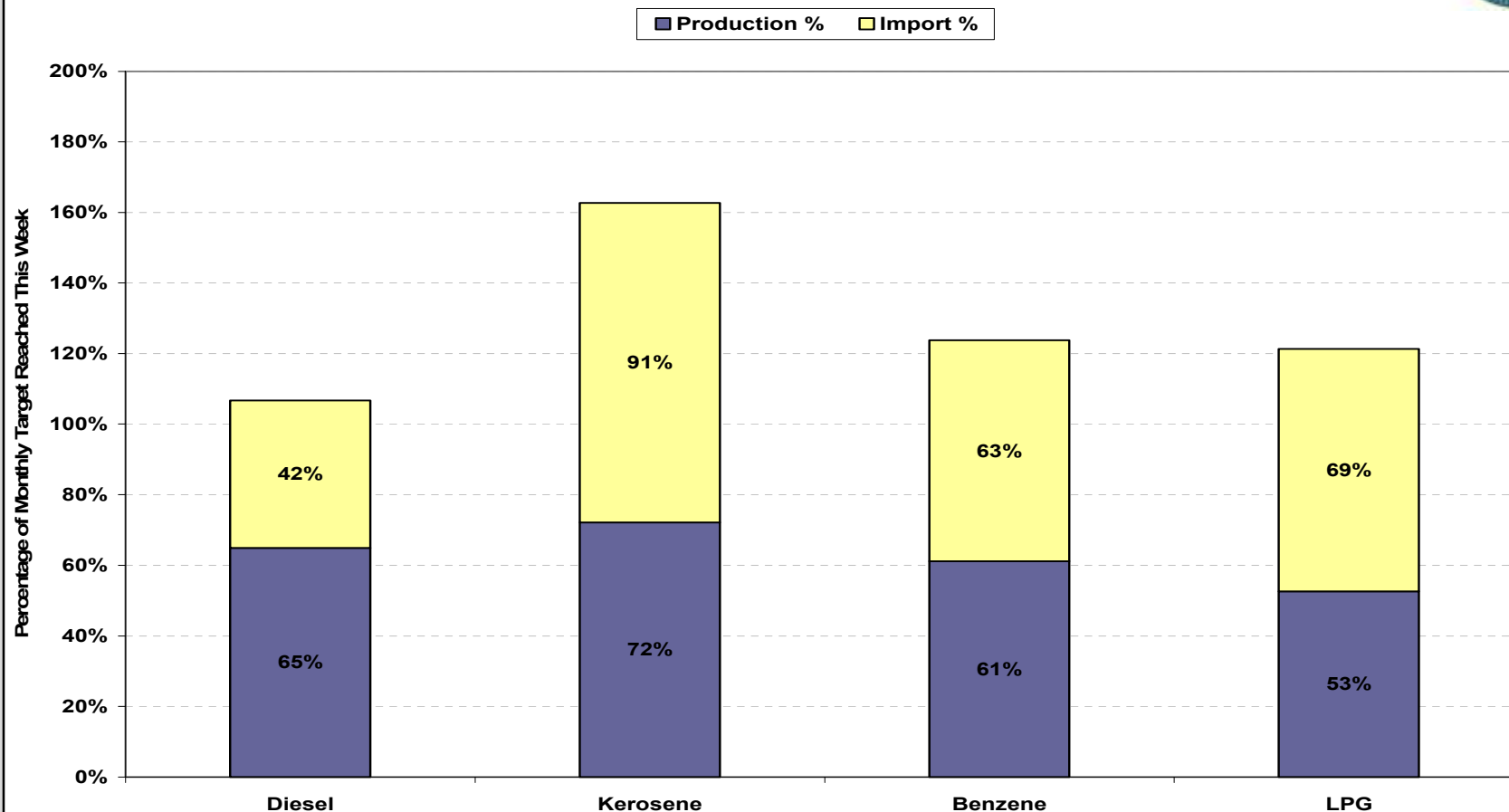
[4.0] Establish Foundations for a Strong Economy ñ Crude Oil Export



- ï 2003 Revenue: \$5,076.6 M
- ï 2004 Revenue: \$17,012.3 M
- ï 2005 Revenue: \$9,802 M (cumulative for 2005)



[4.0] Establish Foundations for a Strong Economy ñ Refined Products



Note: This chart represents the average percentage of daily target reached for the week of June 20-26

ï Diesel: 19.2 ML of 18 ML

ï Benzene: 22.3 ML of 18 ML

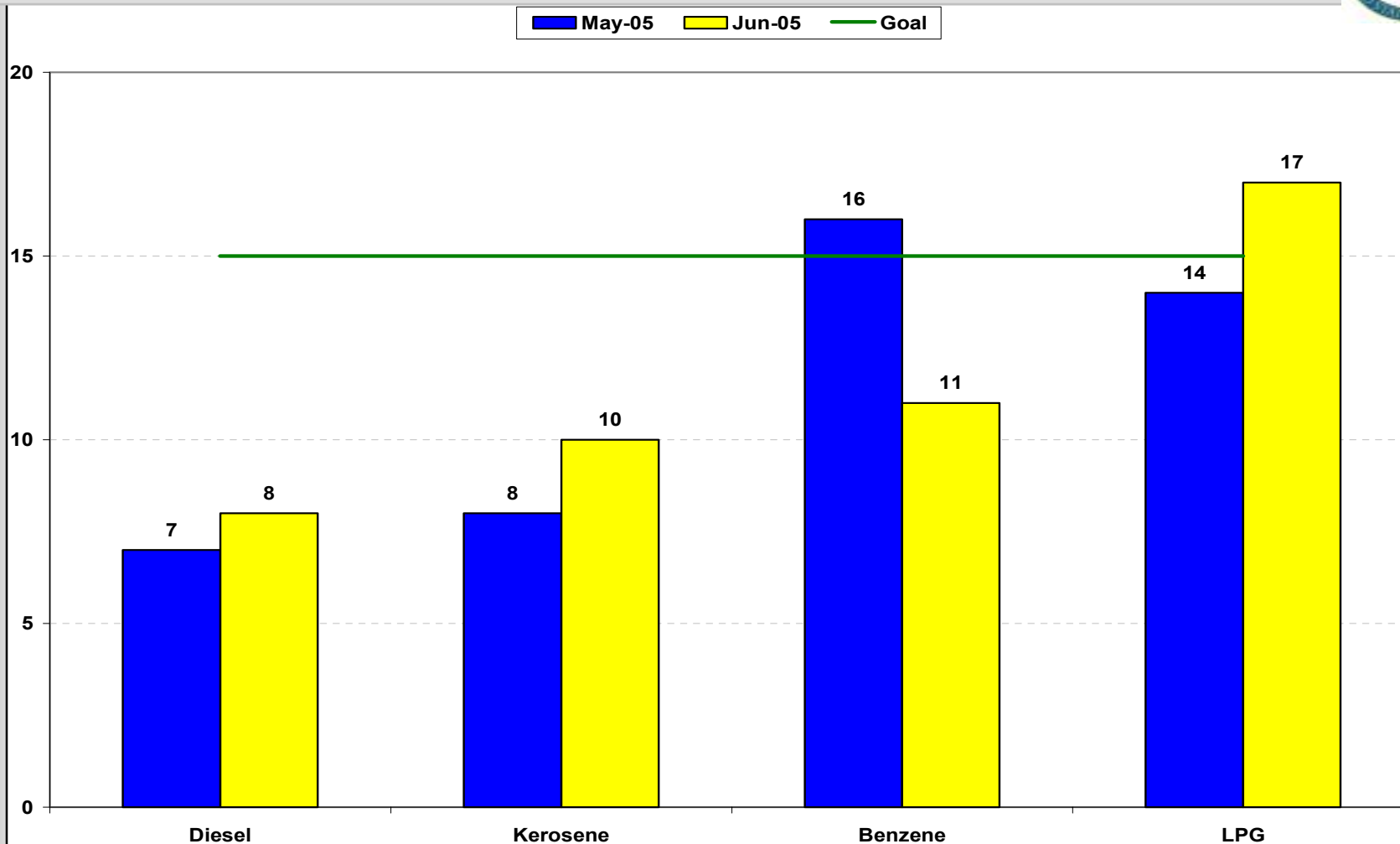
ï Kerosene: 8.8 ML of 5.4 ML

ï LPG: 5,214 tons of 4,300 tons



[4.0] Establish Foundations for a Strong Economy ñ National Stock Levels

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ï The goal is for all refined products to be over 15 days worth of stocks at maximum consumption rates and does not represent seasonal change. The numbers given above are monthly averages.

[4.0] Establish Foundation for a Strong Economy ñ IRRF I & II Financials



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\$Millions			Committed		Obligated		Disbursed	
Sector	2207 Report	Apportion	Last Week	Current	Last Week	Current	Last Week	Current
Security and Law Enforcement	5,035.6	5,035.6	4,913.9	4,891.7	4,434.8	4,466.4	2,690.5	2,797.7
Electricity Sector	4,308.2	4,057.6	3,700.4	3,699.1	2,666.8	2,686.8	1,241.4	1,250.6
Oil Infrastructure	1,723.0	1,723.0	1,609.4	1,576.7	1,101.0	1,126.4	347.6	346.4
Justice, Public Safety and Civil Society	1,224.2	1,224.2	1,105.1	1,116.5	902.1	919.8	337.2	351.3
Democracy	905.4	905.3	886.0	884.3	852.0	850.3	442.2	443.5
Education, Refugees, Human Rights, Governance	363.0	363.0	306.8	317.9	285.2	287.4	103.1	107.4
Roads, Bridges and Construction	355.2	355.2	329.3	329.8	193.7	194.1	104.4	106.3
Health Care	786.0	786.0	717.9	716.7	570.2	570.1	123.1	124.6
Transportation and Communications	509.0	508.5	479.8	479.5	379.1	378.9	104.7	110.2
Water Resources and Sanitation	2,156.7	1,829.2	1,753.9	1,752.5	1,293.9	1,322.7	203.4	214.9
Private Sector Development	860.3	840.3	833.5	833.5	817.4	817.5	460.3	467.1
Admin Expense (USAID, STATE)	213.0	29.0	29.0	29.0	29.0	29.0	29.0	29.0
TOTAL	18,439.5	17,656.9	16,665.0	16,627.2	13,525.2	13,649.3	6,186.9	6,349.0
IRRF 2 Construction		10,409.9	9,798.6	9,750.6	7,482.1	7,521.2	2,822.5	2,877.4
IRRF 2 Non-Construction		6,341.7	5,980.4	5,992.4	5,191.1	5,277.8	2,922.3	3,028.1
IRRF 2 Democracy		905.3	886.0	884.3	852.0	850.3	442.2	443.5
IRRF 1 Subtotal	2,473.3	2,473.3	2,473.3	2,473.3	2,473.3	2,473.3	2,150.0	2,406.6
Grand Total IRRF 1 & 2	20,912.8	20,130.2	19,138.3	19,100.5	15,998.5	16,122.6	8,336.9	8,755.6



[5.0] Promote the Rule of Law ñ Iraqi Judicial System

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Iraqi Tribunal Questions Saddam Aide Aziz:

- ï Reuters reports that Tareq Aziz, Saddam Husseinís former deputy prime minister, has appeared before Iraqís special tribunal as it steps up the process of questioning former regime loyalists about war crimes.

One Thousand Terrorists To Be Tried In Baghdad:

- ï On June 27, Iraqi Minister of Interior Jabr announced more than 1,000 terrorists and criminals were arrested during Operation Lightning. They will stand before the Iraqi court next week. These terroristsí and criminalsí confessions were recorded, and they await trial. According to the Ministryís statistics, 1,300 terrorists, both Iraqi and Arab, were arrested during this same operation launched by 40,000 Iraqi Army (IA) and Iraqi Police (IP) members. The goal of the operation was to bring security and stability to Baghdad. Currently Iraqi forces are spread throughout Baghdad and are in the process of similar operations in those areas which support terrorism.



[5.0] Promote the Rule of Law ñ **Public Integrity and Anti-Corruption**

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National Council to Fight Administrative Corruption to be Formed:

- ï Judge Zakiyah Ismeal, a Transitional National Assembly member, said the committee is studying a project to form a national council for fighting corruption. The council will be the head of the Integrity Commission, the Supreme Audit Finance, and a representative of the Inspector General. The council will include two members of the National Assembly, but both must be members of the Integrity Committee.



[6.0] Maintain Int'l Engagement & Support ñ **Developments**

International Support:

- ï On June 22, officials at the International Conference of more than 80 nations and organizations pledged to provide political support for Iraq, and heard the Iraq Transitional Government's presentations on its plans on the security and economic fronts. The attending delegations also urged Iraqi leaders to make more efforts to reach out politically to disaffected minorities supporting the insurgency.
- ï There were several tangible results of the June 22 International Conference on Iraq, the first being a donors meeting to be held July 18-19 in Amman, Jordan, as a follow-up to the International Conference. Also, there was assurance from several nations to follow through on recent pledges of aid or to consider debt relief, and countries will provide expert advice on drafting a constitution ahead of December elections.
- ï At the International Conference, NATO Secretary General Jaap de Hoop Scheffer invited partners to contribute to the Alliance's assistance to the country. The Secretary General said that NATO remains committed to helping Iraq train and equip its security forces, and is on track to achieve its goal of training 1,000 senior Iraqi officers inside Iraq and 500 outside of Iraq each year. He added that an important next step for NATO will be the establishment of a Training and Education Doctrine Center in the outskirts of Baghdad this September.
- ï On June 24, the UN Security Council approved the transfer of \$200 million in oil-for-food revenue to the Development Fund for Iraq and said an additional \$20 million can be used to pay Iraq's past UN dues.

**[6.0] Maintain Int'l Engagement & Support ñ Stability Contributors****27 MNF-I Contributors (in addition to US)**

Albania	Denmark	Korea	Poland
Armenia	El Salvador	Latvia	Portugal
Australia	Estonia	Lithuania	Romania
Azerbaijan	Georgia	Macedonia	Slovakia
Bosnia/Herz	Italy	Moldova	Ukraine
Bulgaria	Japan	Mongolia	UK
Czech Rep	Kazakhstan	Norway	

TOTAL ~ 23,000 Forces

*Note: Fiji participating as a part of the UN mission in Iraq.

28 Countries and NATO
(including US)
Support Iraqi Stability Operations



[7.0] Promote Strategic Communications ñ **Developments**

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Strategic Communications:

- ï Prime Minister Ibrahim Al-Jafari published an op-ed in the London Times urging a Marshall Plan for Iraq. He reinforced President Bush's and British Prime Minister Blair's commitment to Iraq, saying that democracy and freedom are very possible in Iraq. He touched on the trial of terrorists, the role of women, the diversity of Iraq and the freedom of the press.
- ï Ambassador Zalmay Khalilzad's presentation of his credentials to the Iraqi Government on June 21 was covered prominently by the most important Iraqi media outlets. The vast majority of this coverage appeared on newspapers' front page. It was the top news item on local broadcast television as well. The Embassy PA distributed video, photos and the Arabic and English text of his statements.
- ï Embassy Baghdad PAS provided a three-day training course in media relations for the Ninewah Provincial Council. The course taught the forty members of the council how to more effectively interact with the media.



[7.0] Promote Strategic Communications ñ **Developments**

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Strategic Communications:

- ï The Embassy PAS has begun distributing 100 Arabic translations of ìThe Federalist Papersî to each member of the Constitutional Committee of the National Assembly.
- ï A 14-member ìWomenís Leadership and Advocacyî International Visitors group is currently in the US from June 20 to July 11 exploring the concepts of government, federalism, NGO management, and womenís empowerment. The group include a member of the National Assembly, ministerial advisers, NGO leaders, teachers, and attorneys; it includes Kurds, Sunni Arabs, Shias, and Christians.
- ï The Iraqi Ministry of Agriculture together with the Agriculture Reconstruction and Development for Iraq (ARDI) is implementing two crop demonstration programs to help increase farmersí crop productivity and increase their incomes. The rice demonstration program most recently included a workshop in central Iraq that could benefit thousands of farmers for whom rice farming is a primary source of income. The program consists of three components: demonstration fields throughout Iraq; training for farmers on these methods; and a seed multiplication program.



Iraq Weekly Status ñ General Information

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- ï This brief draws from multiple sources. References are cited on the respective pages in the ìNotes Pageî section (View → Notes Page).
- ï Please forward all questions and/or comments to (unclassified) NEA-I-IPOG-DL@state.gov or (classified) NEA-I-IPOG-DL@state.sgov.gov